

Problems of East German Regime

For I.C.D.

Intellectuals want :-

- (a) Abolition work norm.
- (b) Abolition work premium system.
- (c) Distribution profit sharing system
- (d) Institution of factory management by worker representatives.

Ulbricht says :-

- (a) Intellectuals have no idea of economic situation and are unrealistic.
- (b) East German economic situation difficult.

- (c) Labor productivity must be raised.
- (d) No idea how E. Germany is to fulfil export and import plans.

- (e) Cannot increase norms if we are not to get into discussions with the workers again.

- (f) Not receiving Polish hard coal - better market elsewhere
- (g) Hungary cannot at present fulfil obligations to E. Germany.

In May, arrived in East Germany
CEMAA - present
Conditions make it impossible
to get into discussions with the workers again.

Disaffection of workers to Regime.

E/g. in same position as Hungarians & Poles

Gent is opposed.
Ulbricht in difficulty with workers & opposed to Tito's offer.